

I am Wayne Clark, the industry and governmental affairs manager at Milton Caterpillar – the sole Caterpillar dealer covering 6 states here in the northeast, including Vermont, New Hampshire, Maine, Rhode Island, upstate New York and the Commonwealth of Massachusetts. Milton is a privately held, second-generation family company – founded in 1960.

We serve literally thousands of customers in this region – with a wide range of construction equipment used to build and maintain roads and bridges, renew urban areas, preserve coastal shores, provide critical back up power generation in the aftermath of storms and a world-class 24/7 service department. We employ more than 1,000 people in the northeast at 13 locations. Here in Vermont, we are proud to employ 45 women and men at our Richmond location.

As a single line dealer, we have a very close relationship with our manufacturer – Caterpillar. Unlike many smaller dealer/manufacturer relationships, ours is built on decades of trust and collaboration. Caterpillar dealers are involved in strategic planning with Caterpillar. As a result, Senate Bill 224 is completely unnecessary based on our established relationship with Caterpillar. We do not need (nor are we seeking) state protection in our dealer/manufacturer relationship. This bill creates a remedy for a problem that does not exist for us.

We ask that you maintain the large dealer exemption that already exists in this bill. Removing the exemption would interfere with existing Caterpillar dealer agreements and warranty practices that have been in place for decades and are successful and mutually satisfactory. Construction equipment dealers are different from smaller farm equipment dealers and other outdoor power equipment dealers. Milton, for example, has a much larger service territory; the capital requirements are much greater; and the product and customer base is significantly different.

If the legislature takes away the exemption, Vermont would take a decidedly different path than neighboring states or others around the country. Milton would then get caught in an unnecessary — and expensive — process of trying to re-write our decades-old dealer relationship with Caterpillar. The solutions this bill tries to provide are not problems for us — and in fact — would then create a myriad of problems that we don't have now.

S. 224 seeks to compel dealers to execute dealer agreements based on the presumption that inequalities exist between all dealers and manufacturers. This presumption is completely wrong in our case. We have an extremely close relationship with Caterpillar. These protections are unnecessary – hence our exemption. The sections of the bill dealing with fraud or coercion are also unnecessary. We have an extremely positive and collaborative working relationship and – again – do not need these protections.

In sum – as stated – this bill creates a remedy for a problem that does not exist for us. We ask that the single line dealer exemption stay intact.

THANK YOU for allowing me to speak this morning. I have provided my contact information on the testimony and encourage the committee to contact me with any questions.

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